State of Utah
DEPARTMENT OF NATURAL RESOURCE
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

May 26, 2000

Chuck Semborski, Environmental Supervisor Energy West Mining Company PO Box 310 Huntington, Utah 84528

Re: Approval of Mill Fork Exploration, PacifiCorp, Deer Creek Mine, ACT/015/018-EX00C,

Outgoing File

Dear Mr. Semborski:

The above-referenced exploration has Division approval effective, May 26, 2000. You will also need to obtain a surface occupancy permit form the U.S. Forest Service and post a bond with School & Institutional Trust Lands Administration (SITLA) prior to drilling. Enclosed is a copy of our technical analysis for your information.

If you have any question, please feel free to call me.

Sincerely,

Pamela Grubaugh-Littig

Permit Supervisor

sd/sm

Enclosure:

cc: Richard Manus, BLM, Price

Crockett Dumas, USFS, Price

Mark Page, Water Rights, Price, w/o enc Dave Ariotti, DEQ, Price, w/o enc

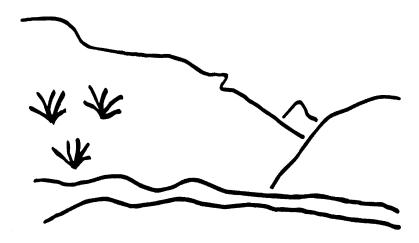
Dave Ariotti, DEQ, Price, w/o enc

Derris Jones, DWR, Price, w/o enc

David Terry, SITLA, SLC Price Field Office

O:\015018.DER\FINAL\apprEX00C.wpd

State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Deer Creek Mine Mill Fork Exploration ACT/015/018-EX00C Technical Analysis May 23, 2000

TABLE OF CONTENTS

INTRODUCTION	1
COAL EXPLORATION: REQUIREMENTS FOR	
EXPLORATION APPROVAL	2
NOTICES OF INTENTION TO CONDUCT MINOR COAL EXPLORATION	
COAL EXPLORATION: COMPLIANCE DUTIES	2
PER FORMANCE STANDARDS	2
Operational Standards	3
Reclamation Standards	4

INTRODUCTION

INTRODUCTION

The exploration site is on US Forest Service ground and the coal reserve is controlled by the State of Utah.

Energy West Mining Co. a subsidiary of PacifiCorp has submitted a Letter of Intent to conduct minor exploration at Mill Fork Canyon. The permittee plans to drill one drill hole at this location. All drilling rig, equipment, supplies, tools, materials, and manpower will be flown in by helicopter.

The drill area will be protected by covering the ground with brattice cloth and the use of silt fences. Even the drill rig will lay on the cloth. No soil or vegetation will be removed. The project will last no longer than fifteen days.

Hydrological balance will have minimal or no impact. There will be no crossing of streams but the permittee will pump water from a nearby stream for drilling purposes by using a one inch hose.

Reclamation of this area will be minimal. The permittee will remove all material and reseed the area with approved seed mix by the US Forest Service.

COAL EXPLORATION: REQUIREMENTS FOR EXPLORATION APPROVAL

Regulatory Reference: R645-201.

NOTICES OF INTENTION TO CONDUCT MINOR COAL EXPLORATION

Regulatory Reference: R645-201-200., -201-210, -201-220, -201-221, -201-222, -201-223, -201-224, -201-225.

Analysis:

The permittee has submitted the required information to meet the requirements of the regulations. The permittee has included addresses, phone numbers, maps, and a narrative describing the exploration method. The extraction of coal will be less than 250 tons of coal. This project does qualify as a minor exploration.

Findings:

The permittee met the requirements of the R645 Coal Rules.

COAL EXPLORATION: COMPLIANCE DUTIES

Regulatory Reference: R645-202.

PERFORMANCE STANDARDS

Regulatory Reference: R645-202-200., -202-210, -202-220, -202-230, -202-231, -202-232, -202-233, -202-234, -202-235, -202-236, -202-240, -202-241, -202-242, -202-243, -202-244.

Analysis:

The permittee has addressed the requirements of this section in the R645 Coal Rules as it pertains to minor exploration. The permittee has given address, phone number, and appropriate information concerning minor exploration. The permittee has committed to extract less than 250 tons of coal from this project.

Findings:

The requirements of this section of the regulations are considered adequate in regards to the minor exploration.

Analysis:

EXPLORATION PLAN

Operational Standards

A survey of Threatened, Endangered, and Sensitive (TES) plant and animal species have been conducted with other projects of the Rilda Canyon (Surface Facilities, Permit Extension and Power Line) and Mill Fork coal lease process. These studies have shown no TES plants or wildlife in the proposed drill hole area. The permittee has done a 1999 raptor survey with DWR and another survey in May of 2000. PacifiCorp proposes to commence drilling operations after the July 15, 2000 raptor nesting season deadline. Therefore, R645-202-231 has been met by recent studies.

The permittee will only use an existing road, US Forest Service Road #245. This will be the staging area for the helicopter, men, supplies and equipment. The permittee has acquired a permit from the US Forest for use of this road. No other road will be used nor will a new road(s) be constructed. R645-202-232 Coal Rules regulation does not apply for this minor exploration.

The Exploration Plan does not call for removal of vegetation or topsoil. The permittee has shown, from prior drill sites, which were approved by US Forest Service and BLM that this procedure had very little impact to vegetation. The recovery of vegetation was rapid. This is because of the short duration of the site being implemented, and the use of brattice cloth covering the complete area including the underneath of the drill rig. The permittee will reseed the forty feet by forty feet drill site area with certified seed mixture approved by US Forest Service and consent by a Division Biologist in the Salt Lake Office. This process does not comply with R645-202-233 but, previous practices have shown success. This practices does, however, have the intent of the regulation by insuring successful revegetation.

There will be no impact to overland flow, ephemeral, perennial, or intermittent streams. The drill site will be contained by brattice cloth and the use of silt fences. The site fences will treat the runoff from rainfall. During the drilling operation, water and drilling fluids will be re-circulated to the extent possible. Any returned cuttings and other materials will be captured in a container at the drill site. The cuttings will be transported from the drill site to the staging area by helicopter and disposed of at the Deer Creek Waste Rock Site. The Coal Regulation R645-202-234 has been addressed.

Since the drill site is only a forty feet by forty feet area and all transport of equipment, men, and materials are being flown in by helicopter and treatment of water within the site is self-contained or treated, no hydrologic impact should occur. It is anticipated that no groundwater will be encountered; the reason being, fifteen or more drill holes were drilled in this area and only one hole was damp. With previous drilling experience, there has been no disturbance to the hydrologic balance in this area. Therefore, R645-202-235 has been adequately addressed to make a determination that hydrologic balance will stay the same.

All drill cuttings and other material from the drill site will be captured in a container and transported by helicopter to the staging area. Trucks from the staging will haul the cuttings and material to the Waste Rock Site. The permittee has met the requirements of R645-202-236.

EXPLORATION PLAN

Findings:

The requirements of this section of the regulations are considered adequate in regards to the minor exploration.

Analysis:

Reclamation Standards

The drill site at Mill Fork will have no excavations. All equipment will be leveled by timber, this includes the drill rig. This method requires no change in contour of the ground. Thus, requirements of R645-202-241 has been met.

The disturbed area is forty feet by forty feet. Vegetation and topsoil will not be removed as mentioned above. This practice has caused little or no impact to the existing vegetation located on the previous drills pads. The permittee will also reseed the area with certified seed mix approved by US Forest Service and DOGM. The Coal Rule R645-202-242.100 has been addressed.

The permittee will seal and plug the drill hole with cement from bottom of the hole to the top. Coal regulation R645-202-243 has been addressed.

The permittee will remove all equipment and materials promptly after drilling ceases and then seeding will commence. Coal Rules R645-202-244 thru R645-202-244.300 have been addressed.

Findings:

The permittee meets all requirements in regards to the reclamation standards for exploration.

sd O:\015018.DER\FINAL\ta\TA_EX00C.wpd